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OUR WEEKLY CAPITAL MARKETS UPDATE

May 7th, 2017

International Market News Update

US Indices

	Closing	Net Change	% Change	YTD
DJIA	21,006.94	+66.43	0.32%	6.30%
S&P 500	2,399.29	+15.09	0.63%	7.17%
NASDAQ Composite	6,100.76	+53.15	0.88%	13.33%

Europe Indices

	Closing	Net Change	% Change	YTD
UK - FTSE 100	7,297.43	+60.26	0.83%	2.16%
Eurozone - STOXX 50	3,244.64	+61.84	1.94%	7.78%
France - CAC 40	5,432.40	+160.70	3.05%	11.72%
Germany - DAX	12,716.89	+273.10	2.19%	10.76%
Netherlands - AEX	533.27	+11.38	2.18%	10.37%
Switzerland - SMI	9,016.66	+171.88	1.94%	9.69%

BRICS Indices

	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	65,709.73	+1,033.18	1.60%	9.10%
Russia - MICEX	2,002.41	-9.26	-0.46%	-10.32%
India - SENSEX	29,987.22	+68.82	0.23%	12.62%
China - Shanghai	3,071.73	-82.93	-2.63%	-1.03%
South Africa - JSE Africa	53,579.01	-101.68	-0.19%	5.78%

Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	19,909.95	+620.52	3.22%	4.16%
Hong Kong - Hang Seng	24,604.11	-94.37	-0.38%	11.83%
South Korea - KOSPI	2,271.78	+63.94	2.90%	12.11%
Australia - ASX 200	5,863.90	-92.62	-1.55%	3.50%

Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,229.74	-26.84	-2.14%	7.17%
Silver Spot	16.39	-0.46	-2.75%	2.92%
Platinum Spot	918.83	-12.57	-1.35%	1.74%
Palladium Spot	815.75	-0.99	-0.12%	19.79%
Crude Oil (WTI)	46.79	-2.05	-4.20%	-12.90%
Crude Oil (Brent)	49.74	-1.78	-3.45%	-12.46%
Baltic Dry Ind	994.00	-140.00	-12.35%	3.43%

Money Markets

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	1.180	0.008	0.298	0.183
12M Libor	1.779	0.005	0.220	0.093
3M Euribor	(0.329)	-	(0.017)	(0.010)
12M Euribor	(0.124)	(0.003)	(0.053)	(0.042)
10Y US	2.363	0.045	0.509	(0.081)
10Y UK	1.117	0.032	(0.013)	(0.122)
10Y Germany	0.418	0.101	0.283	0.210
10Y Japan	0.030	0.016	0.091	(0.016)
10Y India	6.944	(0.010)	0.146	0.429

Currencies

	Closing	Closing	
GBP/USD	1.297	EUR/USD	1.099
USD/JPY	112.780	AUD/USD	0.742
USD/CHF	0.989	EUR/AED	4.036
USD/INR	64.214	EUR/INR	70.565
USD/CNY	6.902	EUR/CHF	1.087
USD/RUB	57.947	AED/INR	17.484

Source: Bloomberg

The S&P 500 and the NASDAQ composite indexes closed at record levels on Friday as investors looked ahead to a key European election. Both indexes, along with the Dow Jones industrial average, rose sharply heading into the close after hovering around the flatline for most of the session. Shares of Apple closed at a record high, helping lift the Dow and NASDAQ. The Dow, S&P and NASDAQ also posted slight weekly gains and traded in a narrow range for most of the week. The U.S. economy added 211,000 jobs in April and the unemployment rate fell to 4.4 percent. The Fed held interest rates steady earlier this week, but hinted at the possibility of a June rate hike. Market expectations for a rate hike next month were 78.5 percent as on Friday.

The pan-European Stoxx 600 closed 0.65 percent higher on Friday, with most sectors edging higher. The benchmark was 1.72 percent higher on the week. The German DAX jumped 2.15 percent on the week and the French CAC also rose 2.93 percent. The CAC 40 in Paris closed at a new nine and half year high and the DAX in Frankfurt closed at a record high. Basic resources stocks were the best performers after copper prices recovered from a five-month low. Shares in the education group Pearson spiked 12 percent on new restructuring plans, including the potential sale of its U.S. arm. The firm hit the top of the European benchmark.

Most Asian markets lost ground on Friday as traders await the U.S. nonfarm payrolls data later and after drops in commodity prices overnight. The S&P/ASX 200 ended down 0.68 percent at 5836.60, as declines in resources shares were partially offset by Macquarie's 3.23 percent jump after the bank's full-year profit beat expectations. Hong Kong's Hang Seng Index ended down 0.84 percent at 24,476.35. On the mainland, the Shanghai Composite shed 0.77 percent to end at 3103.36, and the Shenzhen Composite lost 1.24 percent to close at 1872.79. Markets in Japan and South Korea were closed for the Children's Day holiday.

Commodity in Focus

Gold prices ended lower Friday, holding ground at the lowest settlement since mid-March and suffering from their largest weekly loss of the year so far.

Gold futures lost 0.1% to settle at \$1,226.90 an ounce, with prices at their lowest level in about seven weeks. Prices finished about 3.3% lower for the week, which was the largest weekly percentage loss since the week ended Nov. 11.

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Middle East Market News Update

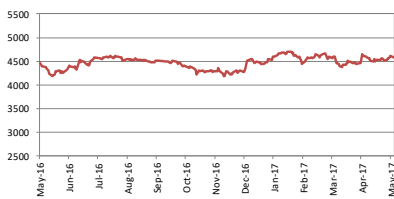
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,384.05	-30.88	-0.90%	-4.16%
Abu Dhabi - ADX	4,570.24	+47.68	1.05%	0.53%
Saudi Arabia - TASI	6,857.15	-156.32	-2.23%	-4.90%
Qatar - QE	9,833.58	-230.77	-2.29%	-5.78%
Bahrain - BHSE	1,324.85	-7.31	-0.55%	8.55%
Oman - MSM 30	5,450.28	-63.24	-1.15%	-5.75%
Kuwait	6,564.66	-228.40	-3.36%	14.21%

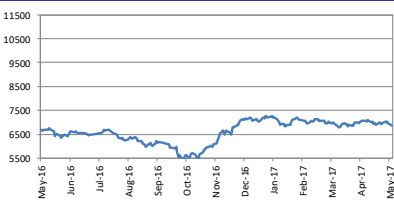
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Abu Dubai stocks rose across the Arabian Gulf for the second day in a row on Thursday, propped up by a late surge in banking stocks. Shares in Dubai were unchanged on a mixed day for property stocks, while Saudi equities closed lower for a second straight day. The index shares in Abu Dhabi closed up nearly 0.8 per cent at 4,617.16, even as volumes remained subdued. First Abu Dhabi Bank led the gains, closing up 1.8 per cent at a one-year high of Dh11.50. ADCB closed up 1.4 per cent at Dh7.05, while Etisalat also gained. Damac Properties also gained, finishing up 2 per cent at Dh2.61. The index bellwether Emaar Properties, meanwhile, closed down 1.8 per cent at Dh7.28, after Bloomberg reported that Blackstone and CVC Capital Partners were among buyout firms weighing a bid for a stake in the company's entertainment division. Arabtec Holding shares rose by as much as 4.7 per cent in early trading before closing up 1.6 per cent at 83 fils, after the construction firm announced its first quarterly profit in two- and-a-half years. The Dubai Financial Market General Index finished the day up just 0.02 per cent at 3,419.73.

In Saudi Arabia, the Tadawul index ended the day down 0.6 per cent, dragged lower by National Commercial Bank and Sabic.

En Bref..... Biggest Market News

Investors across the globe got what they expected — and what many of them hoped for — after centrist Emmanuel Macron defeated far-right candidate Marine Le Pen in the second round of the French election. Macron was projected to get 65.1 percent of the votes and Le Pen just 34.9 percent, according to exit polling firm Ipsos. Most other polls had Macron defeating Le Pen by a similar margin.

Despite the low turnout, Macron's victory is an unambiguous win for the French center, for Europe, and consequently for global markets. The euro climbed to its highest level in six months, breaking above \$1.10 for the first time since the U.S. presidential election.

Events in the week ahead

10 May – China CPI (April 2017).

11 May – Bank of England Policy Rate Decision.

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